

## Message Text

PAGE 01 STATE 186512  
ORIGIN INR-10

INFO OCT-01 AF-10 ARA-10 EUR-12 NEA-10 IO-13 SSM-03  
ISO-00 CIAE-00 NSAE-00 PM-05 NSC-05 SP-02 SS-15  
/096 R

DRAFTED BY INR/RNA/NE:AAVACCARO:JVW  
APPROVED BY INR/RNA: PJGRIFFIN  
SSM:C W KONTOS  
DESIRED DISTRIBUTION  
SSM

-----041413 242319Z /75

P 242040Z JUL 78  
FM SECSTATE WASHDC  
TO USMISSION SINAI PRIORITY  
INFO AMEMBASSY ABU DHABI PRIORITY  
AMEMBASSY ALGIERS PRIORITY  
USINT BAGHDAD PRIORITY  
AMEMBASSY BRASILIA PRIORITY  
AMEMBASSY CAIRO PRIORITY  
AMEMBASSY DOHA PRIORITY  
AMCONSUL JERUSALEM PRIORITY  
AMEMBASSY KUWAIT PRIORITY  
AMEMBASSY LONDON PRIORITY  
AMEMBASSY MADRID PRIORITY  
AMEMBASSY MANAMA PRIORITY  
AMEMBASSY MOGADISCIO PRIORITY  
AMEMBASSY MOSCOW PRIORITY  
AMEMBASSY MUSCAT PRIORITY  
AMEMBASSY NICOSIA PRIORITY  
AMEMBASSY NOUAKCHOTT PRIORITY  
AMEMBASSY PARIS PRIORITY  
AMEMBASSY RABAT PRIORITY  
AMEMBASSY TEHRAN PRIORITY  
AMEMBASSY TEL AVIV PRIORITY  
AMEMBASSY TRIPOLI PRIORITY  
AMEMBASSY TUNIS PRIORITY  
CONFIDENTIAL

PAGE 02 STATE 186512

AMEMBASSY SANAA PRIORITY  
USMISSION USUN NEW YORK PRIORITY  
TREASURY DEPARTMENT WASHDC PRIORITY 0000

C O N F I D E N T I A L STATE 186512

E.O. 11652: XGDS-2

TAGS: EG, IS, PINR

SUBJECT: INTSUM 612 - JULY 24, 1978

LONDON FOR KINSOLVING  
PARIS FOR NICHOLAS MURPHY  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED NOT  
RELEASABLE TO FOREIGN NATIONALS

1. LEBANON. FIGHTING BROKE OUT BETWEEN CHRISTIAN MILITIAS AND THE SYRIANS IN THE HILLS EAST OF BEIRUT OVER THE WEEK-END IN THE WORST VIOLENCE SINCE THE JULY 6 CEASEFIRE. THE AREA OF HADETH WAS HEAVILY SHELLED SATURDAY NIGHT AND AGAIN ON SUNDAY. SYRIA CLAIMS THAT ITS FORCES WERE RESPONDING TO CHRISTIAN PROVOCATIONS, WHICH RESULTED IN TWO OF THEIR SOLDIERS BEING WOUNDED BY SNIPER FIRE IN THE HADETH AREA. SYRIAN ARTILLERY ATTACKS WERE DESIGNED TO SILENCE THESE SNIPERS.

2. PRESIDENT SARKIS IS CLEARLY WORRIED ABOUT SYRIAN INTENTIONS; SOME OFFICIALS CLOSE TO THE PRESIDENT WONDER WHETHER THE ARAB STATES HAD GIVEN THE SYRIANS THE GREEN LIGHT TO CRUSH THE PHALANGE AND THE SHAMOUNISTS. WE DO CONFIDENTIAL

PAGE 03 STATE 186512

NOT BELIEVE THAT THE OTHER ARABS HAVE DONE SO, BUT NOTE THAT IF THE SYRIANS DETERMINED TO CRUSH THE RIGHTISTS, DAMASCUS WOULD NOT NEED THE GO AHEAD FROM THE OTHER ARABS. NEVERTHELESS, WE HAVE HAD NO INDICATION THAT THE SYRIANS PLAN TO ESCALATE THE FIGHTING AT THIS TIME.

3. THE SYRIANS ARE UNDOUBTEDLY INCENSED AT CONTINUING RIGHTIST PROPAGANDA ATTACKS. PARTICULARLY IRKSOME WAS AN APPEAL BY CAMILLE SHAMOUN DIRECTLY TO THE SYRIAN SOLDIERS. HE BLAMED THE BAATHIST GOVERNMENT IN DAMASCUS FOR CREATING FRICTION BETWEEN THE LEBANESE AND SYRIAN PEOPLES. HE CALLED ON THE SOLDIERS TO REFUSE TO KILL LEBANESE AND TO RETURN TO THEIR HOMES. SHAMOUN CONCLUDED BY STATING THAT "THE HISTORIC TIES BETWEEN OUR TWO PEOPLES ARE STRONGER THAN THE INJUSTICE AND IGNORANCE OF THE RULERS."

4. TENSIONS BETWEEN THE RIGHTISTS AND THE SYRIANS HAVE BEEN INCREASING THE PAST SEVERAL DAYS. THE RIGHTISTS WERE PARTICULARLY DISTURBED BY THE SYRIAN TURNOVER OF OVER TWO ROADBLOCKS IN THE CENTER OF BEIRUT TO LEFTIST LEBANESE MILITIAMEN. IT IS UNCLEAR WHETHER THE HADETH FIGHTING WILL SPREAD INTO A CONFRONTATION ON THE SCALE OF EARLIER THIS MONTH. NEVERTHELESS, THE HIGH TENSION WOULD APPEAR TO INDICATE THAT AT LEAST MORE FIGHTING IS LIKELY.

5. MEANWHILE, LEBANESE GOVERNMENT OFFICIALS ARE CONSIDERING THE MOVEMENT OF LEBANESE ARMY PERSONNEL TO SOUTH

LEBANON. THEY APPARENTLY FEAR THAT UNIFIL WILL NOT HAVE ITS MANDATE RENEWED IF THE LEBANESE ARMY IS NOT DEPLOYED. LEBANESE PROPOSALS AT THIS POINT ARE CONSIDERABLY LESS AMBITIOUS THAN THOSE WHICH WERE CONSIDERED IN APRIL. ONLY 200 TO 300 MEN, UNDER CURRENT PLANS, WILL BE SENT.

6. EVEN THIS MINOR MOVE WILL BE MET WITH HOSTILITY FROM MANY LEBANESE. OVER THE WEEKEND RIGHTIST LEADERS OF THE BORDER MILITIAS SAID THAT THEY WOULD FIGHT THE LEBANESE  
CONFIDENTIAL

PAGE 04 STATE 186512

ARMY IF IT ATTEMPTED TO ENTER THEIR AREA. THIS HOSTILITY RESULTS FROM THE FAILURE IN THE PAST OF THE ARMY TO PREVENT PALESTINIAN INFILTRATION. MOREOVER, THE SYRIAN NATIONALIST PARTY LEADER, A MEMBER OF THE LEFTIST LEBANESE FORCES, SAID THAT HIS FORCES ALSO OPPOSED THE DEPLOYMENT OF THE ARMY SOUTH, BECAUSE THIS WOULD INCREASE RIGHTIST STRENGTH IN THE AREA.

7. THE RECENT FIGHTING IN BEIRUT OCCURRED IN AN AREA CLOSE TO THE AMBASSADOR'S RESIDENCE. ONE SHELL HIT THE BUILDING AND SEVERAL PASSED OVER IT. AMBASSADOR PARKER WILL BE MOVING TO THE CHANCERY IN WEST BEIRUT.  
(CONFIDENTIAL)

8. EGYPT. ABOUT THE ONLY THING MADE CLEAR BY PRESIDENT SADAT IN HIS SPEECH ON SATURDAY IS THAT HE IS FINDING IT DIFFICULT TO DEVISE A POLICY THAT WILL SIMULTANEOUSLY SILENCE CRITICS AND PROTECT HIS DEMOCRATIC CREDENTIALS. CONCERN WITH FOSTERING A DEMOCRATIC IMAGE APPEARS TO HAVE WON OUT FOR THE MOMENT. SADAT'S EXTEMPORANEOUS REMARKS ON THE PEACE PROCESS AT THE CLOSE OF HIS SPEECH ADD UP TO A CHALLENGE TO THE ISRAELIS TO COME UP WITH NEW PROPOSALS OR GET RID OF PRIME MINISTER BEGIN, AND TO THE US TO ACT NOW TO BREAK THE DEADLOCK.

9. SADAT DEFENDED HIS DEVOTION TO A MULTI-PARTY SYSTEM AND ANNOUNCED HE WOULD FORM HIS OWN POLITICAL PARTY, ABOLISH THE GOVERNMENT-CONTROLLED ARAB SOCIALIST UNION--AN INSTITUTION CREATED BY PRESIDENT NASIR THAT HAS SERVED RECENTLY AS AN UMBRELLA OVER EGYPTIAN POLITICAL PARTIES--AND ASK FOR RELAXATION OF THE LAW GOVERNING THE FORMATION OF NEW PARTIES.

CONFIDENTIAL

PAGE 05 STATE 186512

10. THE SPEECH WILL PROBABLY LEAVE SUPPORTERS STILL CONFUSED OVER HIS INTENTIONS, AND CRITICS ARE ENCOURAGED THAT HE IS RETREATING FROM HIS CRACKDOWN. SADAT DID NOT DESCRIBE HIS NEW PARTY'S PLATFORM AND LEFT UNSTATED WHAT

EFFECT THE FORMATION WOULD HAVE ON PRIME MINISTER SALIM AND HIS RULING CENTRIST PARTY.

11. BY DESCRIBING EGYPT'S "DEMOCRATIC CRISIS" AS AN ETHICAL RATHER THAN A LEGAL PROBLEM, SADAT IMPLICITLY ACKNOWLEDGED THE THINNESS OF HIS LEGAL JUSTIFICATION FOR SILENCING CRITICS. HE CALLED FOR A FORM OF SELF-DISCIPLINE IN WHICH ALL INSTITUTIONS AND ORGANIZATIONS WOULD SUBSCRIBE TO A CODE OF ETHICS THAT WOULD GOVERN THE BEHAVIOR OF THEIR MEMBERS. AT THE SAME TIME, HOWEVER, SADAT ACKNOWLEDGED DIFFICULTY REACHING A NATIONAL CONSENSUS ON SUCH A CODE AND INDICATED THE DEBATE WOULD CONTINUE.

12. THE EGYPTIAN PRESIDENT'S TENTATIVENESS ABOUT THE NEW DIRECTIONS HE WAS OFFERING WAS PARTICULARLY EVIDENT IN HIS ADMISSION THAT THE DECISION TO FORM A NEW PARTY, WHICH HE WOULD HEAD, WAS HIS TOUGHEST EVER AND WAS MADE ONLY LATE LAST WEEK. SADAT IS SCHEDULED TO GIVE ANOTHER SPEECH ON WEDNESDAY AT ALEXANDRIA UNIVERSITY, IN WHICH HE MAY

FURTHER DEVELOP SOME OF THE THEMES INTRODUCED SATURDAY. HE MAY ALSO REACT IN ALEXANDRIA TO THE REJECTION YESTERDAY BY ISRAEL'S CABINET OF HIS CALL FOR A UNILATERAL ISRAELI CONCESSION IN THE SINAI AS A GOODWILL GESTURE.

13. SADAT'S ATTACK ON PRIME MINISTER BEGIN IN THE SPEECH ON SATURDAY WAS HIS MOST SEVERE TO DATE. IT REFLECTED SADAT'S CONCLUSION THAT BEGIN IS UNABLE TO MAKE PEACE, AND HIS POSITION THAT EGYPT AND ISRAEL HAVE LITTLE TO TALK ABOUT AS LONG AS ISRAEL REFUSES TO ACCEPT THE PRINCIPLE OF WITHDRAWAL FROM THE WEST BANK AND GAZA.

CONFIDENTIAL

PAGE 06 STATE 186512

14. EMBASSY CAIRO REPORTS THAT SADAT AND KAMEL CLARIFIED THE EGYPTIAN POSITION ON THE LEEDS CONFERENCE AND ITS FOLLOW-UP, MAKING IT CLEAR THAT THERE MUST BE A NEW ELEMENT FROM ISRAEL BEFORE FUTURE MEETINGS ARE HELD. NEVERTHELESS, SADAT CONTINUES TO INSIST THAT HE STILL IS PREPARED TO MEET WITH WEIZMAN. EMPHATIC RESTATEMENTS OF THE EGYPTIAN POSITION SEEM DESIGNED TO APPLY PRESSURE ON BOTH ISRAEL AND THE US. EMBASSY CAIRO COMMENTS THAT REALISTIC OR NOT, THIS TACTIC ACCURATELY REFLECTS EGYPTIAN IMPATIENCE WITH THE PROSPECT OF YET ANOTHER ROUND OF INCONCLUSIVE TALKS. (CONFIDENTIAL)

15. JORDAN. KING HUSSEIN RETURNED HOME LATE YESTERDAY AFTER A TWO-DAY VISIT TO SAUDI ARABIA DURING WHICH HE DISCUSSED A COMMON EFFORT TO REBUILD ARAB UNITY AND "DEVELOP ARAB CAPABILITIES TO CONFRONT AGGRESSION AND OUTSIDE CHALLENGES." THE CAIRO PRESS, MEANWHILE, CITED OFFICIAL SOURCES IN AMMAN AS SAYING THAT HUSSEIN WOULD

VISIT CAIRO THIS WEEK FOR TALKS WITH SADAT. REGARDING HUSSEIN'S VISIT TO DAMASCUS, OUR EMBASSY IN AMMAN DOUBTS THAT JORDAN HAS TURNED TOWARD SYRIA'S HARD-LINE STANCE ON SADAT'S PEACE STRATEGY, BUT COMMENTS THAT THE JORDANIANS APPARENTLY DID SEEK TO BE INGRATIATING WITH THE SYRIANS. THE JORDANIANS CONTINUE TO BE SKEPTICAL OF SADAT'S EFFORTS, BUT THIS DOES NOT MEAN THEY WOULD ABANDON THE PEACE PROCESS OR SADAT'S ASSOCIATION WITH IT. (CONFIDENTIAL)

16. PALESTINIANS. THE PALESTINE CENTRAL COUNCIL (PCC) COMMUNIQUE, ISSUED AT THE CONCLUSION OF ITS TWO-DAY SESSION LAST WEEK, ESSENTIALLY SUMMARIZED CURRENT PALESTINIAN VIEWS AND CONTAINED LITTLE THAT WAS NEW. AT THE SAME TIME, HOWEVER, THE SUBSTANCE AND TONE OF THE DOCUMENT SEEMS INDICATIVE OF ARAFAT'S RESURGENT STRENGTH  
CONFIDENTIAL

PAGE 07 STATE 186512

IN FATAH AND THE PLO.

17. REGARDING THE INTERNAL PALESTINIAN SCENE, THE COMMUNIQUE:

(A) STRESSED THE IMPORTANCE OF UNITY AMONG THE VARIOUS PALESTINIAN GROUPS AND THE NECESSITY OF AVOIDING "INTERNECINE" FIGHTING;

(B) CALLED ON THE VARIOUS GROUPS TO CEASE "PROPAGANDA CAMPAIGNS," "MOBILIZATIONS," AND OTHER PROVOCATIONS DIRECTED AT EACH OTHER;

(C) DENOUNCED THE IRAQI REGIME FOR ITS "HOSTILITY" TO THE PLO;

(D) RECOMMENDED THAT THE PLO'S PARLIAMENTARY BODY, THE PALESTINE NATIONAL COUNCIL (PNC), HOLD ITS OVERDUE REGULAR SESSION AFTER THE HOLY RAMADAN PERIOD IN AUGUST.

18. ON ARAB-ISRAEL ISSUES AND LEBANON, THE PCC STATEMENT:

(A) CRITICIZED THE "CONTINUOUS CONCESSIONS" MADE BY SADAT AND THE US IN THE PEACE PROCESS;

(B) ARGUED THAT SADAT'S LATEST PROPOSALS IGNORE THE LEGITIMATE RIGHTS OF THE PALESTINIANS IN THE PEACE PROCESS;

(C) CALLED UPON PALESTINIANS TO "RALLY AROUND SYRIA" IN LEBANON AND DECRIED THE CHRISTIANS' "CONSPIRATORIAL ACTIVITIES."

19. FOR THE MOSTPART, THESE VIEWS REFLECT THOSE OF

ARAFAT AND OTHER PLO MODERATES AND THUS ARE INDICATIVE OF  
CONFIDENTIAL

PAGE 08 STATE 186512

THEIR PRESENT STRONG POSITION. ARAFAT'S CONTROL OF THE MOVEMENT SEEMS TO HAVE INCREASED CONSIDERABLY IN RECENT WEEKS AS HE HAS MOVED, APPARENTLY SUCCESSFULLY, TO STIFLE DISSENTERS WITHIN FATAH AND TO CRACK DOWN ON REJECTIONISTS IN LEBANON.

20. THE COMMUNIQUE GAVE FEW PALLIATIVES TO REJECTIONIST PALESTINIAN GROUPS, AND THE TONE OF EVEN THOSE SECTIONS WHICH WILL BE ACCEPTABLE TO THE RADICALS IS SOFT. THE CRITICISM OF SADAT, FOR INSTANCE, IS MILD BY COMPARISON WITH EARLIER VITRIOLIC STATEMENTS DIRECTED AT THE EGYPTIAN LEADER. FURTHERMORE, THE HARSH CHARGES AGAINST IRAQ -- AND THE CALL FOR "UNITY" -- PROBABLY ARE DESIGNED TO SERVE ALSO

AS A SIGNAL OF ARAFAT'S DISPLEASURE WITH THOSE RADICAL PALESTINIAN GROUPS THAT BAGHDAD SUPPORTS AND OF HIS INTENTION TO PURSUE HIS CRACKDOWN ON THEM.

21. THAT THE PCC MEETING WAS HELD AT THIS TIME SEEMS TO BE ANOTHER INDICATION OF ARAFAT'S IMPROVED POSITION IN THE MOVEMENT. DURING THE CHALLENGE PRESENTED TO HIS LEADERSHIP LAST SPRING BY THE REJECTIONISTS AND SOME LEFTIST FATAH MEMBERS, HE WAS WARY OF HOLDING SUCH PCC MEETINGS FOR FEAR THAT THEY COULD DEVELOP INTO SHOUTING MATCHES HARMFUL TO PALESTINIAN COHESIVENESS. HE PROBABLY REASONED NOW THAT HE COULD CONTROL A PCC SESSION DESPITE THE RANCOR CAUSED BY HIS CONTINUING CRACKDOWN ON PALESTINIAN RADICALS IN LEBANON.

22. MOREOVER, THE SETTING OF A ROUGH TIME-FRAME FOR THE OVERDUE PNC SESSION SUGGESTS THAT ARAFAT MAY BELIEVE HIS POSITION IS SUFFICIENTLY SOLID TO SEEK A MORE FORMAL ENDORSEMENT OF HIS POLICY LINE AND HIS DECISION-MAKING ON  
CONFIDENTIAL

PAGE 09 STATE 186512

BEHALF OF THE PLO. THE TIMING MAY BE RIGHT, IN HIS PERCEPTION, FOR HIM TO MANIPULATE THE PNC TO HIS BENEFIT, PERSONALLY AND POLICYWISE, WITH MINIMAL OPPOSITION FROM HARDLINERS.

23. DESPITE HIS IMPROVED SITUATION, HOWEVER, ARAFAT WILL STILL UNDOUBTEDLY FACE CONTINUED CHALLENGES FROM REJECTIONISTS ELEMENTS. THE HARDLINERS FUNDAMENTALLY CONTINUE TO CHAFE UNDER WHAT THEY SEE AS ARAFAT'S AUTOCRATIC LEADERSHIP AND WILL LOOK FOR OPPORTUNITIES TO UNDERCUT HIM. (CONFIDENTIAL)

24. OPEC. A SPECIAL OPEC COMMITTEE OF FINANCIAL EXPERTS REPORTEDLY HAS RECOMMENDED THAT OPEC OIL PRICES BE PEGGED TO A BASKET OF INTERNATIONAL CURRENCIES IN ORDER TO MITIGATE FURTHER LOSSES IN PURCHASING POWER CAUSED BY THE DECLINE OF THE US DOLLAR.

25. THE RECOMMENDATION WOULD HAVE TO BE ACTED ON BY OPEC GOVERNMENTS AT THE NEXT SCHEDULED MINISTERIAL CONFERENCE THIS DECEMBER IN ABU DHABI, OR AT AN EXTRAORDINARY MEETING THAT COULD BE CALLED BY THE CURRENT PRESIDENT OF OPEC, KUWAITI OIL MINISTER ALI KHALIFA AL-SABAH. IN JUNE 1975, OPEC OIL MINISTERS AGREED IN PRINCIPLE TO PEG OIL PRICES TO THE SPECIAL DRAWING RIGHTS USED BY THE INTERNATIONAL MONETARY FUND, BUT THE PLAN WAS NEVER IMPLEMENTED.

26. PEGGING OIL PRICES TO A BASKET OF CURRENCIES WOULD NOT IMMEDIATELY PUT PRESSURE ON THE DOLLAR. ASSUMING NO SUBSTANTIAL SHIFTS IN THE DOLLAR'S VALUE, OIL PRICES WOULD UNDERGO ONLY SMALL CHANGES. PAYMENTS FOR OIL WOULD STILL BE MADE IN DOLLARS. (CONFIDENTIAL/NOFORN) VANCE

CONFIDENTIAL

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 sep 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INTELLIGENCE COLLECTION, MONITORING FACILITIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE186512  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** INR/RNA/NE:AAVACCARO:JVW  
**Enclosure:** n/a  
**Executive Order:** 11652 XGDS-2  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780303-1178  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t197807106/baaaезik.tel  
**Line Count:** 348  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Message ID:** 3172566b-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN INR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 7  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 03 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1857717  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** INTSUM 612 - JULY 24, 1978  
**TAGS:** PINR, EG, IS  
**To:** SINAI INFO ABU DHABI MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3172566b-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014